

**Troy Township
Finance Committee Meeting Notes
Monday, March 19, 2018
5:45 p.m.**

Committee Chairman Trustee Larry Ryan called the meeting to order at 5:53 p.m.

The Pledge of Allegiance was recited.

In Attendance:

Supervisor Joseph D. Baltz	Trustee Larry Ryan (Chairman)
Assessor Kim Anderson	Highway Commissioner Thomas R. Ward
Administrator Jennifer Dylík non-voting member (acting as Secretary)	

Absent: Trustee Bryan Kopman (Vice Chairman) – Excused

A quorum is established.

Trustee Brett Wheeler is also in attendance. Collector George Muentnich arrives at 6:30 p.m.

Chairman Larry Ryan asked for any citizen comments. No citizens were present.

Chairman Ryan opened the meeting for review and discussion of the of the 2018-2019 fiscal year annual budget for General Town Fund including the Assessor’s budget, General Assistance Fund, and the Road and Bridge Fund.

Administrator Dylík distributed an updated budget proposal dated March 19, 2018. This update includes updated actual figures for the 2017-2018 fiscal year ending on March 31st. Figures include all bills being paid at the March 19th board meeting as well as estimates for any remaining bills that are expected to be paid between March 19th and March 31st.

Administrator Dylík reviewed a summary chart of the changed figures as follows:

Estimated Actual Figures for the Fiscal Year Ending March 31, 2019			
	As Presented 02.26.18		As Updated 03.19.18
Ending Cash Balance			
Town Fund	\$580,737.63		\$595,063.35
General Asst. Fund	\$32,539.82		\$32,445.40
Road and Bridge Fund	\$769,136.01		\$773,833.30
Total Revenue			
Town Fund	\$1,092,881.65		\$1,100,211.67
General Asst. Fund	\$12,727.96		\$12,727.04
Road and Bridge Fund	\$835,780.83		\$842,113.27

Total Expenses	As Presented 02.26.18	As Updated 03.19.18
Town Fund	\$744,760.37	\$737,266.39
Assessor	\$221,024.79	\$221,523.07
General Asst. Fund	\$43,575.23	\$43,668.73
Road and Bridge Fund	\$778,613.11	\$780,248.26

Dylik reported that the budgeted general property tax income for the 2018-2019 fiscal year has been increased for the Town Fund from the February 26, 2108 proposal of \$1,057,245 to the March 19, 2018 proposal of \$1,079,866. The extended levy was received from the Will County Clerk's office on Friday, March 16, 2018. After reviewing the extended levy figures she discovered a calculation error for the budgeted general property tax income for the Town Fund. Essentially, Dylik had accounted for the \$25,000 transfer to GA twice. There will not be any increases in expense items, so the additional budgeted general property tax income will fall directly to the bottom line.

Administrator Dylik gave a brief overview of general aspects of the budget presentation. Dylik then reviewed the actual tax extension received from the County Clerk's office in comparison to the budgeted general property tax revenue. She further reviewed the history of the township not receiving the full amount extended in the levy therefore to attain an estimated income for general property taxes the estimated extension is reduced by .3%.

2017 Levy / 2018-2019FY Budgeted General Property Tax Income

	Levy As Filed	Expected Limit	0.3% Reduction	Budgeted Income	Actual Extension
Town Fund	\$ 1,101,964	\$ 1,083,115	\$ (3,249)	\$ 1,079,866	\$ 1,082,086.40
GA	\$ 20,000	\$ 20,000	\$ (60)	\$ 19,940	\$ 20,889.69
Total	\$ 1,121,964	\$ 1,103,115	\$ (3,309)	\$ 1,099,806	\$ 1,102,976.09
	Levy As Filed	Expected Limit	53.7% Half Share	0.3% Reduction	Budgeted Income
Road and Bridge	\$ 1,323,666	\$ 1,301,429	\$ 698,867	\$ (2,097)	\$ 696,770
	Actual Extension				\$ 1,300,731.92

Dylik also reviewed the expected reduction in Personal Property Replacement Tax revenue.

Dylik then reviewed the Budget vs. Actual pages from the General Town Fund noting that total income is expected to increase \$8,554.33 from 2017-18 to 2018-19. The larger increases year over year for expense items are in the areas of salaries, health insurance (budgeted for a potential 15% increase), capital outlay (parking lot project), and an operating transfer out to General Assistance. Dylik reminded those in attendance that the transfer to General Assistance was discussed during the levy process.

Dylik commented that although the overall General Town Fund budget has a negative net income of \$54,674.00, that slight dip into the carry over balance can be directly attributed to the large capital outlay parking lot project and is not because of any significant increases in general administrative expenses.

Trustee Ryan asked Administrator Dylík to explain the difference between the General Town Fund expense line items of Building Maintenance and Maintenance of Equipment. Dylík explained that Maintenance of Equipment covers costs associated with service and repairs of equipment such as the HVAC equipment including the boilers, RTU, furnace, etc. Building Maintenance includes supplies to maintain the building, costs for minor repairs, paint, mulch, cleaning, pest control, etc. She directed attendees to pages 31 and 32 of the budget presentation which details the expenses budgeted in each line item.

Dylík asked for any further questions regarding the Town Fund budget. No questions were raised.

Dylík gave a general overview of the Assessor's Budget vs. Actual chart noting total expense are expected to increase about \$46,000. Some of the areas of increase from the 2017-18 actual figures to the 2018-19 budget figures include salaries, health insurance, training, and capital outlay. Training covers the cost for continuing education classes for four people to maintain their CIAO designation. Capital Outlay covers new computers that are on a two-year replacement schedule and allows additions funds for any unforeseen repairs to the server or other IT equipment. Salaries covers 4 full-time employees, 2 seasonal employees, possible over-time and additional staff if needed for appeals.

Dylík asked for any further questions regarding the Assessor's budget. No questions were raised.

Dylík gave a general overview of the General Assistance Budget vs. Actual chart calling attention to the increase in general property tax income and the transfer-in from the Town Fund. Some of the more significant expense line items that have increased from the 2017-18 actual to the 2018-19 budget include the General Assistance financial assistance line items and the administrative expense line items of salaries, health insurance, and mileage & travel. Dylík noted that mileage and travel is increasing from the actual dollars spent in the last two fiscal years because the Township Officials of Illinois Supervisor's Division has started conducting GATI (General Assistance Training Institute) classes again. GATI is typically held in Rockford or Bloomington and typically requires a one or two-night hotel stay.

Dylík pointed out the ending cash balance of General Assistance had a significant balance in the 2015-2016 fiscal year. Because of this, the amount of funds allocated to General Assistance via the levy was reduced over time to gradually use up a portion of that ending cash balance. The ending cash balance is now at a more respectable level and the Board can now expect to start seeing funds allocated to General Assistance via the levy and/or transferred from the Town Fund increase over time. Dylík reminded that once funds are in General Assistance they can not be transferred out. Therefore, the funds can be levied to the General Town Fund and if needed, a transfer can be made from the Town Fund to General Assistance.

Dylík reported that since Trustee Kopman was unable to attend the Committee meeting, he sent a list of questions to be reviewed. Some questions that have not already been covered in the Committee meeting are:

- For the General Town Fund Budget vs. Actual figures, why is there such a large net increase in expenses from 2017-18 to 2018-19? Dylík reported that in the original (February 26,

2018) presentation, the net increase was \$197,654.84; \$150,889.63 for the Town Fund and \$46,765.21 for the Assessor. Town Fund increases include salaries \$10,000, health insurance \$20,000, maintenance of equipment \$7,000, capital outlay \$80,000.00 and transfer to General Assistance of \$25,000.00. The increases to the Assessor's budget were reviewed earlier in this meeting.

- For the General Assistance Budget vs. Budget, why is there a \$35,000 increase in income from 2017-18 to 2018-19? Dylik attributed this to the increase in funds to GA via the levy and the transfer-in of \$25,000 from the Town Fund.
- For the General Assistance Budget vs. Actual, why do expenses increase \$15,000 from 2017-18 to 2018-19? A total of \$10,370 of the \$15,000 increase is from the GA financial assistance line items. A total of \$13,000 is budgeted each year but actual expenses for the three prior years range from \$2,600 to \$2,700. Although demand has been low, the Township still needs to be prepared for potential need. Other increases in expenses are salaries, health insurance, and mileage & travel which were discussed earlier. Dylik reminded that the employee who held the General Assistance caseworker position went from part-time to full-time effective January 1, 2017. This employee is paid partly from GA (3 days) and partly from Town (2 days).
- For the Road District Budget vs. Actual, why is the 2017-18 year ending with over \$26,000 in permit fees but the 2018-19 budget is only \$500 in permit fees? Dylik explained that Highway Commissioner Ward negotiated a flat permit fee of \$25,000 with Nicor Gas / Precision Pipeline for the natural gas pipe replacement project. This is a one-time deal and not something to be budgeted for going forward.
- For the Road District Budget vs. Actual, why is \$150,000 budgeted in loan proceeds and was this done as a contingency should the Road District need to purchase equipment? Dylik explained that yes, it was budgeted as a contingency in the event a purchase is needed. Per the township's auditor the correct way for the township to record a lease purchase is to expense the full purchase price of the equipment under capital outlay, off set that amount with the total amount of the loan proceeds, and then expense the first annual payment under debt services principal.

Highway Commissioner Ward briefly discussed possible options with equipment and new purchases.

Administrator Dylik complimented Highway Commissioner Ward on his conservative management of expenses noting that except for one year in the last five, there is a history of ending the year with a net positive income; adding to the carry-over balance for the Road District as follows 2013-14 \$49,377.88, 2014-15 \$58,556.61, 2015-16 \$73,875.74, 2016-17 (\$6,103.79), 2017-18 \$61,865.01 (estimate).

Collector Muentnich arrives at 6:30 p.m.

Trustee Ryan asked for any further discussion on the proposed 2018-2019 budget. No further discussion was brought forward.

Trustee Ryan asked for the department heads (at a later date) to provide written justification for the Board why raises, if any, are being given to employees.

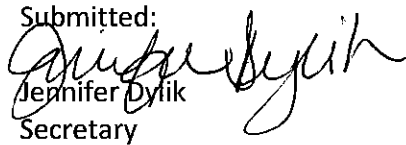
Trustee Ryan commented that no future meeting date is needed at this time.

Motion by Supervisor Baltz; seconded by Highway Commissioner Ward for the Finance Committee to recommend that the Township Board approve the Town Fund, General Assistance Fund, and Road & Bridge Fund budgets as presented on March 19, 2018. Motioned carried.

After asking three times, no additional new business was brought forward.

Motion made by Assessor Anderson; seconded by Highway Commissioner Ward to adjourn. Motion carried. Meeting adjourned at 6:36 p.m.

Submitted:


Jennifer Dylik
Secretary